BUDGET RESOLUTION/Iraqi Oil to Pay for U.S. Military Operations in Iraq

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1997-2002 . . . S. Con. Res. 57. Lott/Smith modified amendment No. 4002.

ACTION: AMENDMENT AGREED TO, 53-47

SYNOPSIS: As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from \$348 billion in FY 1996 to \$467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

The Lott/Smith modified amendment would express the sense of Congress that the assumptions underlying the functional totals in this resolution assume that the President should insist that any revenues generated from the sale of Iraqi oil that might occur after the original sales authorized by United Nations Security Council Resolution 986 (1985) be used to reimburse the United States for Operations Southern Watch and Provide Comfort. (Those operations provide protection from Iraqi military aggression to the Kurdish and Sunni minorities in Iraq. Since the end of the Persian Gulf War, the United States has spend \$2.9 billion on those operations, and the President has requested an additional \$590.1 million for FY 1997. The United Nations proposal, Security Council Resolution 986 (1995), will allow Iraq to sell up to \$1 billion in petroleum and petroleum products every 90 days, for an initial period of 180 days.) The amendment would also express the sense of Congress that if the United Nations rejected giving the United States the revenues generated from any authorized sales after the initial 180-day period, then the United States should reject any negotiated agreement to implement Resolution 986. Finally, the amendment would express the sense of Congress that the President should take steps: to ensure that any oil sales made for humanitarian purposes would not benefit the Iraqi military; to ensure that the temporary lifting of the embargo would not encourage other countries to promote commercial relations with the Iraqi military; and to ensure that revenues to reimburse the United States for Operations Provide Comfort and Southern Watch would be used to reduce the deficit.

(See other side)

YEAS (53)			NAYS (47)			NOT VOTING (0)	
Republicans Democrats (48 or 91%) (5 or 11%)		Republicans	Der	Democrats		Democrats (0)	
		(5 or 9%)	(42 or 89%)		(0)		
Abraham Ashcroft Bennett Bond Brown Burns Campbell Coats Cochran Cohen Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch	Helms Hutchison Inhofe Kempthorne Kyl Lott Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Baucus Bumpers Ford Graham Heflin	Chafee Hatfield Jeffords Kassebaum Lugar	Akaka Biden Bingaman Boxer Bradley Breaux Bryan Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Glenn Harkin Hollings Inouye Johnston Kennedy	Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 137 MAY 22, 1996

Those favoring the amendment contended:

In April 1991, after the Persian Gulf War ended, the United Nations asked, and the United States agreed, to provide military protection from the air for Kurdish and Sunni Moslem civilians in Iraq, against whom the dictator of Iraq, Saddam Hussein, had begun military actions. Those actions included the strafing of Kurdish civilians from helicopters in northern Iraq, and the burning alive of Sunni Moslems who had been chased into the marshes along the Euprates and Trigis Rivers in southern Iraq. Two military operations were started by the United States--Southern Watch and Provide Comfort--and they are both still in force today. Eleven American lives have been lost in these operations, and \$2.9 billion has spent. The President has asked for another \$590.1 million for FY 1997.

After the war, a United Nations trade embargo was placed on Iraq, which is still in effect. On April 14, 1994, the United Nations adopted Security Council resolution No. 986, which will partially lift the embargo. It will allow Iraq to sell as much as \$2 billion in oil and oil-related products every 6 months, as long as the funds raised are used to provide food and medical relief to the people of Iraq. The United Nations will oversee the sales to make sure that the money raised is used for relief. Part of the money raised, though, will be used to pay the United Nations' expenses from overseeing the sale and from conducting other operations in Iraq, such as its program to dismantle Iraq's special weapons programs. We believe that it is appropriate that the United Nations not have to pay for making sure that the Iraqi military does not siphon off funds that are meant for the relief of Iraqi citizens.

We also think that it would be similarly appropriate if some of the funds from that sale were used to reimburse the United States for the costs of its Iraqi operations, which provide the most basic humanitarian relief--military protection so that Iraqi Sunnis and Kurds will not be slaughtered by their own government. Though the United States is conducting these operations at the request of the United Nations, resolution No. 986 does not provide that any of the funds from the sale will be used to reimburse the United States for its costs. In fact, the United Nations refuses to even count the United States' expenses from these operations as contributions to the United Nations. Next time Senators hear anyone complaining that the United States is behind in paying its assessments from the United Nations, they should keep in mind that the United Nations asked the United States to conduct these military operations but it will not count the \$2.9 billion spent so far as being part of those assessments.

The Lott/Smith amendment is about fairness. Neither the United Nations nor the United States should have to pay to stop Iraq from posing a threat to other countries or its own citizens. It is reasonable to make the Iraqi government itself pay. The United Nations, in negotiating the sale of this oil, adequately protected its interests, but the Clinton Administration failed to protect the interests of the American taxpayers. The Lott/Smith amendment would correct this failure, and thus deserves our strong support.

Those opposing the amendment contended:

Whether it is fair or not for the United States to be reimbursed by Iraq for the costs of its military operations in Iraq is irrelevant. What is relevant is the damage that would be caused by demanding reimbursement. Many of the United States allies no longer support the embargo against Iraq. Last year pressure was building to lift the embargo, particularly to allow oil exports. The United States, through the United Nations, negotiated a compromise solution: \$1 billion worth of oil would be sold every 90 days, with the proceeds to be used to provide humanitarian relief to Iraqi civilians. Also, part of those proceeds would be used to pay for ongoing United Nations operations in Iraq, including efforts to dismantle Iraq's programs for weapons of mass destruction and to gain restitution for people who have had property or funds expropriated by Iraq. This compromise was very carefully negotiated. If the United States now insists on it receiving part of the funds as well, the deal will almost certainly fall through. Saddam Hussein will be able to portray the United States as the country that blocked humanitarian relief, thereby stirring Iraqi sentiment against it and building support for himself. The United States' allies in the United Nations will be upset if this deal is wrecked. Those countries that were leaning to ending the embargo would probably do so unilaterally, and the Iraqi government would gain the funds it needs to strengthen its military. In short, we see no possible good that could come from agreeing to the Lott amendment. It would certainly be fair to be paid for the United States' military operations in Iraq, but it is not going to happen, and demanding payment would only work against United States' interests. We therefore urge the rejection of this amendment.